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RUCNDT/USMISSION USUN NEW YORK PRIORITY 1999  
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C O N F I D E N T I A L KATHMANDU 002735

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TAGS: [PGOV](#) [PTER](#) [NP](#)  
SUBJECT: PEACE FACILITATORS BRIEF ON STATE OF PLAY

Classified By: Charge d'Affaires Nicholas Dean. Reasons 1.4 (b/d).

Summary  
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¶1. (C) USAID-contracted peace facilitator Hannes Siebert (please protect) told SCA PDAS Steven Mann and USAID Mission Director Don Clark on October 5 that the Seven-Party Alliance (SPA) and the Communist Party of Nepal - Maoist (CPN-M) had narrowed their differences on key issues in the peace process. The National Peace Accord was starting to come together. Siebert pointed out, however, that there were still considerable differences between the two sides. Handling the Maoist People's Liberation Army (PLA) and militia was going to be tricky. Ultimately, Siebert admitted, we do not know the Maoists' intentions. He voiced the hope that putting the Maoist combatants in cantonments, if funds could be found, would bring about a big change in Maoist behavior. PDAS Mann was skeptical of the hopeful assumptions offered and stressed that the Government of Nepal's (GON) failure to enforce the rule of law made the GON's position in the negotiations particularly difficult.

National Peace Accord  
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¶2. (C) On October 5 USAID-contracted peace facilitator Hannes Siebert (please protect) explained to visiting South and Central Asian Affairs (SCA) Principal Deputy Assistant Secretary (PDAS) Steven Mann that the outlines of an

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overarching agreement were starting to take shape between the Seven-Party Alliance (SPA) Government and the Maoists. Siebert said that his team from the Academy for Educational Development's Nepal Transition to Peace (NTTP) project had been working with the Peace Secretariat in the Prime Minister's Office to put together a seven-page "National Peace Accord." The latest, sixth draft, dated September 25, which had been shared with both sides, incorporated provisions from all of the key documents agreed to by the SPA and the Maoists as well as language from the draft Interim Constitution. The idea was to attach the Interim Constitution, the Ceasefire Agreement, the Human Rights Accord and an arms management agreement as addenda to the Peace Accord. The Peace Accord itself, as currently drafted,

Siebert revealed, also mandated the creation of certain structures. They included: a National Peace Committee, consisting of representatives of all 10 parliamentary political parties, the Maoists and civil society; local Peace Councils; a Joint Nepal Army (NA), People's Liberation Army (PLA) (Maoist) and UN Task Group for Arms Management; and a Joint Constituent Assembly and Constitution-Making Commission. PDAS Mann received a copy of the draft accord before departure.

#### Side-by-Side of Open Issues

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13. (C) Peace facilitator Siebert (please protect) also shared with PDAS Mann a summary from late September of the existing proposals by the GON and the CPN-M regarding key open issues including arms management, the interim legislature, executive and judiciary, the monarchy, the constituent assembly, and restructuring of the state and citizenship. On its face, the document (which PDAS Mann received before departure) showed that considerable differences remained between the two sides.

On arms management, for example, the Maoist proposal envisioned restructuring of the PLA after constituent assembly elections and the formation of a joint Nepal Police and Maoist militia security force in the interim period. The Armed Police Force was to be abolished. Regarding the interim parliament, the Maoists proposed that 45 percent be nominated by the SPA, 35 percent by the Maoists and 20 percent from civil society. They argued for the continuation of people's courts at the local level. The CPN-M wanted the monarchy suspended, while the SPA wanted the issue of the monarchy decided by a referendum or by the constituent assembly. The SPA called for a mixed direct-proportional vote for the constituent assembly, the Maoists for proportional only. The two sides also disagreed about the structure of the state: the SPA left the decision to the constituent assembly; the Maoists wanted a federal state adopted immediately.

#### Long Way to Go

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14. (C) Siebert commented that, in spite of the peace summit scheduled for October 8, the two sides still had a long way to go. On arms management, for example, the NTTP team had tried to facilitate contacts between the NA and the PLA. The goal was to raise their mutual comfort level. The UN, he said, had also generated a number of helpful proposals. There was still a lack of detail on this and other issues. The latest Maoist proposal had come as a surprise: they would lock up 50 percent of their weapons if the NA locked up 30 percent of its weapons. The two sides were also far apart on the nature and the composition of the interim parliament. The SPA wanted a large body with 300 plus members. The CPN-M wanted a small body with 50. To date, they had also failed to agree on the relative percentages. The peace facilitator stated that one way to finesse that issue would be to adopt a system of consensus.

What About the Militia and PLA?

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15. (C) PDAS Mann asked what was going to happen with the Maoist militia, to which Siebert replied that it was still unclear. The Maoists claimed they had 35,000 soldiers in the PLA. Most observers thought the number was closer to 15,000.

Part of the problem, Siebert said, was that we did not know exactly who were PLA members and who were militia. At the UN's insistence, the passage in the Peace Accord on arms management and UN monitoring, referred to "armed personnel" in order to avoid that ambiguity. USAID Mission Director Clark noted the Maoists feared retaliation by the public if they gave up all their weapons. As long as they had weapons, however, they could intimidate people. Siebert said that the PLA was terrified it would be wiped out by the NA. The Maoists also feared armed Maoist splinter groups. Siebert's NTTP colleague Retief Olivier added that many PLA combatants wanted to leave the PLA and return home. To some degree, putting the PLA into cantonments would help the Maoists by

allowing them to exercise control over these unwilling recruits. It was also possible that people would attempt to join the PLA because of the prospect that they would be fed and clothed.

#### Maoist Intentions

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¶16. (C) Questioning the facilitators' views, SCA PDAS asked why we believed the Maoists would meet their commitments after a peace deal if they were not meeting their commitments now. What evidence did we have that they had abandoned their goal of a people's dictatorship? Olivier brought up the institution of peace councils that would bring both sides together to resolve differences at the local level when and where they arose. A USAID officer added that the Maoists had been able to fulfill many of their movement's goals. They could claim success. They had the prospect of attaining a significant share of political power even if it was not the total control they had desired. If their combatants were now going to be fed and taken care of, they might be persuaded to end the extortion and violence and give up their arms. Siebert speculated that it might depend on the share of power the CPN-M received. If they got less than 15 percent of the seats in the interim parliament (and the interim government), there would be a big problem. If they got a majority, there would be a big problem. The question, he suspected, was whether the Maoists would settle for 15-30 percent. Maoist abuses were bad, but Siebert, a South African, said there were 5,000 deaths during the months leading up to the peace deal in South Africa. Since April in Nepal, Maoists had killed 19. Another positive feature, the USAID officer noted, was that the CPN-M was sensitive to public opinion, and the public wanted peace.

#### Feeding the PLA

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¶17. (C) Peace facilitator Siebert described the difficulty of raising the approximately USD 10 million the Maoists wanted per year to feed and clothe their combatants. The Maoists had said they were fine with a food for work scheme, but even that had not elicited much international support. Most donors, Siebert said, were waiting for a peace agreement before they would consider donating. The European Union, for instance, had indicated they would discuss the matter in December. That meant the money would not be available until next summer, at the earliest, Siebert complained. Siebert agreed with the GON that many of the law and order problems could be solved if the Maoist combatants were in cantonments. Then people could start to separate what was political and what was crime. To this, PDAS Mann reiterated there was still a fundamental asymmetry. As long as the Maoists were an armed force, as long as they did not unequivocally renounce violence, they posed a threat to the democratic system. The government's failure to enforce the rule of law, and to govern in general, threatened to have devastating consequences for the negotiations and the country's future.

#### Comment

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¶18. (C) It was clear from the meeting on October 5 that even the USAID-contracted NTTP team, which has worked for months to assist the Government of Nepal in preparing for peace talks, is hard pressed to gauge the ultimate intentions of the Maoists. Their inclination, however, is to believe that an equitable outcome will emerge. They have played a crucial role up until now in helping the often fractious SPA government form a coherent position in the face of constant Maoist gamesmanship and threats. The Nepalis will make the final decisions about the Maoists' future role and the nature of the state of Nepal themselves, but this is one case where U.S. cooperation is playing a key role.

¶19. (U) PDAS Mann has cleared this message.  
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